

Opening Statement of the Honorable Greg Walden
Subcommittee on Communications and Technology
Hearing on "The Satellite Television Law: Repeal, Reauthorize, or Revise?"
June 12, 2013

(As Prepared for Delivery)

I want to welcome all the witnesses to today's hearing as we continue our discussion of STELA and all issues related thereto. I want to especially welcome Amy Tykeson, CEO of BendBroadband, and congratulate her on her award last night as she was inducted into the Cable Industry Hall of Fame. She is a dynamic leader in the cable industry and it is an honor to have her here from central Oregon in my district.

This hearing will examine whether the law authorizing satellite television providers to redistribute broadcast programming still serves an important function or is out of step with today's video marketplace. The law is now 25 years old and aspects of it sunset in December 31, 2014. Should Congress repeal the law, reauthorize it as is, or revise it, possibly even tackling non-satellite specific video issues?

Congress passed the original law in 1988 to give the then-nascent satellite industry a leg up in providing distant broadcast signals to viewers out of range of local over-the-air signals. Today, however, DirecTV and Dish control one third of the pay-tv market and are the second and third largest pay-tv providers behind Comcast. And by some estimates only 1-1.5 million of the 115.9 million U.S. television households still receive distant signals. That's about one percent. DISH also now carries the local signals of broadcasters in all 210 markets and DirecTV carries them in 197 markets.

On the other hand, a million viewers still represent a lot of potentially angry letters and calls reminding us of that clause in the Constitution about the right of Americans to watch whatever they want, whenever they want, wherever and however they want.

Some stakeholders argue we should use the reauthorization to revisit retransmission consent. They also argue that we should take another look at cable regulations, such as the must-carry, basic-tier, buy-through, program carriage, program access, and set-top box rules. Those regulations date to 1992 and 1996, when cable had 98 and 89 percent of the pay-tv market. As of 2010, the cable's market share had dropped to 59.3 percent of pay-tv households and 51.6 percent of all TV households.

I'm open to debate on a whole host of issues and all options remain on the table. I believe in good process, and one of our responsibilities is to make sure we operate publicly and transparently, giving the American people and stakeholders an opportunity to see what is happening and to contribute to the dialogue. The video market is changing rapidly. Phone companies are in the video business now, both over wires and wirelessly. Netflix is offering original programming over the Internet. And Aereo, for better or for worse, could turn everything upside down.

Ultimately, the question is can we better ensure viewers have access to the programming they want while respecting the investments of the networks that create it and the broadcasters and pay-tv companies that deliver it? Today the government intervenes in various ways in the relationships between viewers, broadcast affiliates, network programmers and pay-tv distributors. Sometime it does so to the benefit of one. Other times to the benefit of another. Should it be intervening at all in the current marketplace? And if the answer is yes in some cases but not others, what is the justification?

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